

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

RETAIL ACCESS OPTIMIZATION INITIATIVE, 2011

Docket No. N2011-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS BOLDT  
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1**

The United States Postal Service hereby provides the responses of witness James Boldt to Questions 1 through 15 of Presiding Officer's Information Request No. 1, dated August 2, 2011. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno, Jr.  
Chief Counsel, Global Business

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2998; Fax -5402  
August 9, 2011

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1**

1. Please provide a digital copy of all demographic, economic, and geographic data that will be used to develop profiles for evaluation of each candidate facility.

**RESPONSE**

As a part of the Handbook PO-101 discontinuance review process, the Postal Service does not solicit demographic data from customers that might reveal such information as their age, gender, racial or ethnic identification or income.

The Postal Service relies primarily on questionnaire answers, customer statements provided at postal-sponsored community meetings, and written comments submitted by customers of the facility after public notice that its discontinuance is being contemplated.

The Postal Service does not require discontinuance review coordinators to access U.S. Census Bureau data that may relate to the service area of a retail facility being considered for discontinuance. In the complete absence of any other information, Census Bureau data might provide a very general overview of residents who live within some degree of proximity to a postal retail facility.

However, that information reveals nothing that is specific to the subset of residents who routinely visit the facility, the frequency of their visits, the postal transactions they conduct, or the products and services they purchase. Rather than make assumptions or sweeping generalizations about a retail facility's customers based on U.S. Census Bureau data reflecting income or age strata, racial make-up, or mix of residential types in the surrounding area, the Postal Service relies on actual postal retail transaction data, local management's

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**RESPONSE to Question 1 (continued)**

knowledge of the customers who frequent the facility, and the comments and questionnaire responses received during the discontinuance review process.

That being said, it is not unheard of for a local discontinuance review coordinator to compare customer comments to U.S. Census Bureau data to validate characterizations of the surrounding community contained in those comments. Customer assertions that a retail facility mainly served "low-income" or "senior" citizens could be checked against U.S. Census Bureau data to see if sufficiently granular data were available help judge such characterizations. An example of such a document is in the Docket No. A2010-6, Administrative Record at PDF pages 126-127. See <http://www.prc.gov/Docs/70/70284/A2010-6.pdf>. As noted on that document, available Census Bureau data are not necessarily sufficiently granular to provide information pertinent to the specific service area of the facility in question.

However, it would not be correct to assume that such economic or demographic profiles of nearby residents (such as may be reflected in U.S. Census Bureau records) *will be* reviewed under the RAO Initiative or that the PO-101 Handbook requires the retrieval and examination of publicly available census data.

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**RESPONSE to Question 1 (continued)**

As part of discontinuance review, local managers are expected to consult the USPS Electronic Facilities Mapping System (EFMS) to calculate proximity -- measured in terms of driving distance -- between the facility under study and nearby postal retail locations. This tool is being used to develop information responsive to Question 14 of this POIR.

An example of the use of this tool is reflected in a recently filed administrative record on file at the Commission. See Docket No. A2011-22, Administrative Record, PDF page 4:

<http://www.prc.gov/Docs/74/74274/A2011-22PeachOrchardAdminRec.pdf>;

As part of the RAO Initiative, similar geographic information will be compiled locally by discontinuance review coordinators on a case-by-case basis from EFMS for those of the individual 3650 candidate facilities that advance through the discontinuance review process.

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- 2.** Please confirm that revenue, as it is considered a criterion to identify candidate facilities:
- a. does not include revenue from business mail entered using permits issued at a different facility. If not confirmed, please explain.
  - b. does not include revenue from mail delivered to or through the facility, including post office boxes, caller service, or street delivery. If not confirmed, please explain.

**RESPONSE**

- (a-b) The analysis of retail walk-in revenue excludes the revenue sources identified in subparts a and b.

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3. Please refer to USPS-LR-N2011-1/1, the USPS Handbook PO-101 *Postal Service-Operated Retail Facilities Discontinuance Guide* relating to the Testimony of Witness Boldt (USPS-T-1). The handbook refers to “economic savings to the Postal Service” as a component of a proposal to discontinue a facility.

- a. Please describe the calculation of “economic savings” describing all the common one time or annual expenses or savings included in the calculation.
- b. Please provide a date that an estimate of the economic savings, by facility, from discontinuation of the candidate facilities will be available.

**RESPONSE**

- (a) As used there, "economic savings" refers to net operating cost savings to the Postal Service that would result from discontinuance of a facility, as measured under the Handbook PO-101 review process. The attached Excel workbook is utilized to measure those savings.
- (b) As indicated in the response to DBP/USPS-18, it is anticipated that the first RAO discontinuance studies will be finalized and decisions will be made beginning in October. At that time, the Postal Service will have the first facility-specific cost savings estimates.

### **Instructions**

The Post Office Discontinuance Financial Reporting Model (POD) is a tool to compare existing post office costs to a proposed alternative to provide the customer services in a different manner and to close the existing facility, thereby reducing annual operating costs. The POD requires inputs from District Finance staff based on site specific data obtained from standard District sources and supporting Facilities Service Offices (FSOs). After the inputs are completed, the POD provides a Financial Summary spreadsheet that depicts the savings and costs by category associated with the proposed alternative. These categories include Investments, Building Maintenance, Utilities, Transportation, Labor, Contracts, and Rent.

#### **General Information**

When a candidate office is identified, a viable alternative should be developed by the District staff working in conjunction with all stakeholders and the supporting FSO. Data should be collected from the suggested sources identified below in the respective category instructions.

Input cells are highlighted in yellow. Data should be entered beginning in the Input-General tab and continued sequentially to Input - Investments, Input - Building Maintenance, Input - Utilities, Input - Transportation, Input - Labor Table, Input - Labor, Input - Contracts, and Input - Rent tabs.

#### **Input – General Spreadsheet Tab**

##### Data sources:

- Existing Facility Finance Number/Sublocation Number, Name, Size – District, eFMS, FSO
- Proposed Facilities Finance Number/Sublocation Number(s), Name(s), Size(s) – District, FSO, FPC-SSBD
- Proposed Completion Dates (reflects projected completion dates for proposed actions)
  - District staff, stakeholders, FSO

##### Directions:

- If proposed facilities are existing Postal facilities, enter only the required space for the relocated operations as defined in an FPC-SSBD space analysis.
- Enter the fiscal year (e.g. 9/30/10) of the data and enter the Projected Move-in Date (date of move-in to proposed facilities, e.g. 1/1/11).

### **Cash Flow Spreadsheet Tab**

No input required since data flows from other spreadsheets.

#### Data Source:

Sale price – FSO

Residual Value – FSO

#### Directions:

A sensitivity analysis can be performed for a potential sale of a USPS-Owned existing facility. **Enter the sale price as a positive number in the appropriate year of Investment section. Remember to remove the sale data prior to printing the actual final POD cash flow.**

**If a new USPS-owned facility is proposed, enter a residual value in cell R12 as a positive number.**

### **POD Summary Spreadsheet Tab**

No input required since data flows from other spreadsheets. This Financial Summary depicts the existing and proposed facilities first year costs/savings, the first full year total savings, the 10-year operating variances, the 10-year Net Present Value (NPV), and the Return on Investment (ROI) if applicable.

Concurrence from the District Finance Preparer and District Finance Manager are required for this spreadsheet

### **Input – Investments Spreadsheet Tab**

#### Data sources:

- Existing Facility Line 3B (if renovation is needed to enable disposal) – eFMS, FSO
- Proposed Facilities construction/build-out costs and budget line item – eFMS, FSO, District, Retail Manager (Contract Post Office/Unit)

#### Directions:

**Enter budget line and projected costs (enter as negative number).**



#### **Input – Building Maintenance Spreadsheet Tab**

##### Data sources:

- Workhours and Workhour Rate (salary and benefits) – LURS (last complete FY A/P13 YTD)
- LDC 37 (Building Equipment Mechanic) – LURS of responsible maintenance facility
- LDC 38 (Custodian) – LURS of existing facility

##### Directions:

**Select Yes/No** – Are USPS building maintenance staff needed at the proposed facilities? If **No** is selected, no building maintenance costs will be calculated for proposed facilities.

#### **Input – Utilities Spreadsheet Tab**

##### Data sources:

- Cost per square foot (PSF) – Utilities bills (last complete FY)

##### Directions:

**Select Yes/No** - Are the proposed facilities existing Postal facilities where the relocated operations will be housed in space that is conditioned and lighted? If **Yes** is selected, no utilities cost will be calculated for proposed facilities.

#### **Input – Transportation Spreadsheet Tab**

##### Data sources:

- Carrier Vehicles/Equipment Maintenance Allowance (EMA) – Delivery Transportation Analysis developed by Manager Operations Programs Support
- HCR and PVS – Transportation Analysis developed by the supporting Manager Transportation/Networks

**Note:** These analyses must depict the Existing and Proposed Facilities costs of vehicles (Carrier and PVS).

##### Directions:

**Enter only the Carrier and PVS vehicle and HCR costs in this spreadsheet – Carrier and PVS driver costs should be entered by LDC in the Labor Table Spreadsheet Tab.**

### **Labor Table Spreadsheet Tab**

#### **Data sources:**

- Labor Rate (salary and benefits) – LURS (last complete FY A/P13 YTD)
- PVS Driver Labor Rate (salary and benefits) – supporting plant LURS (last complete FY A/P13 YTD)
- Carriers – Delivery Transportation Analysis developed by Manager Operations Programs Support (Labor rates must match LURS)
- PVS Drivers – Transportation Analysis developed by the supporting Manager Transportation/Networks (Labor rates must match LURS)

#### **Directions:**

**Enter all relevant LDC Labor Rates. Rates will flow to the Input-Labor Spreadsheet Tab.**

### **Input – Labor Spreadsheet Tab**

#### **Data sources:**

- Workhours – LURS (last complete FY A/P13 YTD)
- Carriers – Delivery Transportation Analysis developed by Manager Operations Programs Support
- PVS Drivers – Transportation Analysis developed by the supporting Manager Transportation/Network
- Other LDCs – Labor analysis should be developed by responsible Operations manager depicting the actual Existing Facility and Proposed Facilities Labor costs by LDC.

#### **Directions:**

- Enter relevant LDCs, Workhours, and Annual Costs in Existing Facility section (Labor Rates will flow from Labor Table).
- Enter relevant LDCs and projected number of Full Time Employees (FTE's) in Proposed Facilities (Labor Rates, Workhours, and Annual Costs will be calculated by POD model).

### **Input – Contracts Spreadsheet Tab**

#### **Data sources:**

- Individual contracts – Existing Facility records, contract proposals for Proposed Facilities, District Retail Manager (Contract Postal Office/Unit data)

#### **Directions:**

The Contracts Spreadsheet Tab provides an area for input of existing and proposed contracts for any required service provided by non-USPS labor. The Contract type data fields have sample inputs to suggest potential needs. **Actual Contract types should be entered as necessary. The sample inputs should be overwritten with actual data.**

### **Input – Rent Spreadsheet Tab**

#### **Data sources:**

- Rent, CAM, Taxes – District Finance, eFMS, FSO
- Lease Buyout, Restoration - FSO

#### **Directions:**

- **Select Yes/No** – Will Existing Facility lease expire or be terminated upon facility discontinuance? If **No**, the Existing Facility cost/savings will not be included in the first year Rent variance.
- **Enter final year lease costs for Existing Facility Rent, CAM, and Taxes as a positive number.** These costs will flow to the 10-year cash flow to the appropriate year based on the actual lease expiration/termination date.
- **If Restoration is required at Existing Facility prior to returning building to the lessor, enter projected Restoration cost as a negative number.**
- **Enter the Lease Expiration Date**
- **If Proposed Facilities will be new leased space (not currently leased by USPS), enter annual costs for Proposed Facilities Rent, CAM, and Taxes as positive numbers.** When obtaining future lease type cost projections from the FSO, inform the FSO real estate staff that the 10-year cash flow will escalate these costs at the current DAR Factor memo “other” escalation rate so they can consider this in their cost analysis. Do not enter any lease related costs for facilities currently leased by USPS that would continue to house other operations not impacted by a proposed discontinuance.

### **Print Spreadsheet Tab**

The Print Spreadsheet Tab contains print buttons to print any spreadsheet or all spreadsheets.

Prior to printing, click on the Excel File Page Setup Options menu, select a color printer, and make sure “print in grayscale” is not selected.

District		
Date	1/11/11	
	Existing	Proposed Facilities
Finance #/Sublocation #		
Facility Type		
Facility Name		
Size (Gross SF)		
Finance #/Sublocation #		
Facility Type		
Facility Name		
Size (Gross SF)		
Proposed Completion Date	1/11/11	
Data Fiscal Year	2010	
Projected Move-In Date	1/11/11	
	Cash Flow Factors*	
Discount Rate	4.5%	
(Sustaining Low Risk)		
USPS Labor	1.6%	
Non-USPS Labor	2.6%	
Energy-related cost items	2.0%	
All Other costs	1.6%	
Supervisor Productive Workyear	1822	
Bargaining Productive Workyear	1745	
<i>*Note: from the June 16, 2011 Decision Analysis Report/Cost of Borrowing/New Facility Start-Up Costs Update memo from the VP Finance and Planning</i>		

## POD Financial Summary

Existing		Proposed Facilities	
-		-	
Investment			
Construction/Renovation	\$ -	\$ -	\$ -
Total			\$ -

  

	Existing	Proposed Facilities	First Operating Year Variance	10-Year Operating Variance
Building Maintenance	\$ -	\$ -	\$ -	\$ -
Utilities	\$ -	\$ -	\$ -	\$ -
Transportation	\$ -	\$ -	\$ -	\$ -
EAS & Craft Labor	\$ -	\$ -	\$ -	\$ -
Contracts	\$ -	\$ -	\$ -	\$ -
Rent	\$ -	\$ -	\$ -	\$ -
Total			\$ -	\$ -

  

First Full Year Savings	\$ -
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POD 10-year NPV	\$ -
ROI	N/A

**Concurrence:**

District Finance Preparer's Signature

Date \_\_\_\_\_

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**Print Name**

**District Finance Manager's Signature**

**Date**

---

**Print Name**

District	-		
Date	1/11/11		
Investment			
	Budget		
	Line		
	Item	Existing	Proposed Facilities
Construction/Renovation/Build-out Costs*	3B	\$ -	XXXXXXXXXXXX
		XXXXXXXXXXXX	\$ -
		XXXXXXXXXXXX	\$ -
Sub-totals		\$ -	\$ -
	Total	\$ -	
* Construction/Renovation/Contract Postal Office-Unit Build-out costs must be entered as a negative number.			

District	-																
Date	1/11/11																
<b>Building Maintenance</b>																	
Are USPS building maintenance staff needed at the proposed facilities?	NO																
(Answer "No" if proposed facilities are existing Postal facilities with adequate building maintenance staff)																	
<b>Existing Facility</b>																	
Facility Name:	-																
	<table><tr><td></td><td><b>Workhrs</b></td><td><b>Workhr Rate</b></td><td><b>Annual Cost</b></td></tr><tr><td>LDC 37 - Bldg Maint Equip Mech</td><td>0</td><td>\$ -</td><td>\$ -</td></tr><tr><td>LDC 38 - Custodian</td><td>0</td><td>\$ -</td><td>\$ -</td></tr><tr><td>Existing Facility Total</td><td></td><td></td><td>\$ -</td></tr></table>		<b>Workhrs</b>	<b>Workhr Rate</b>	<b>Annual Cost</b>	LDC 37 - Bldg Maint Equip Mech	0	\$ -	\$ -	LDC 38 - Custodian	0	\$ -	\$ -	Existing Facility Total			\$ -
	<b>Workhrs</b>	<b>Workhr Rate</b>	<b>Annual Cost</b>														
LDC 37 - Bldg Maint Equip Mech	0	\$ -	\$ -														
LDC 38 - Custodian	0	\$ -	\$ -														
Existing Facility Total			\$ -														
<b>Proposed Facilities</b>																	
Facility Name:	NONE																
	<table><tr><td>LDC 37 - Bldg Maint Equip Mech</td><td>0</td><td>\$ -</td><td>\$ -</td></tr><tr><td>LDC 38 - Custodian</td><td>0</td><td>\$ -</td><td>\$ -</td></tr><tr><td>Sub-total</td><td></td><td></td><td>\$ -</td></tr></table>	LDC 37 - Bldg Maint Equip Mech	0	\$ -	\$ -	LDC 38 - Custodian	0	\$ -	\$ -	Sub-total			\$ -				
LDC 37 - Bldg Maint Equip Mech	0	\$ -	\$ -														
LDC 38 - Custodian	0	\$ -	\$ -														
Sub-total			\$ -														
Facility Name:	-																
	<table><tr><td>LDC 37 - Bldg Maint Equip Mech</td><td>0</td><td>\$ -</td><td>\$ -</td></tr><tr><td>LDC 38 - Custodian</td><td>0</td><td>\$ -</td><td>\$ -</td></tr><tr><td>Sub-total</td><td></td><td></td><td>\$ -</td></tr></table>	LDC 37 - Bldg Maint Equip Mech	0	\$ -	\$ -	LDC 38 - Custodian	0	\$ -	\$ -	Sub-total			\$ -				
LDC 37 - Bldg Maint Equip Mech	0	\$ -	\$ -														
LDC 38 - Custodian	0	\$ -	\$ -														
Sub-total			\$ -														
Proposed Facilities Subtotal	\$ -																
VARIANCE	<u>\$ -</u>																
<b>Projected Building Maintenance</b>																	
	<b>Space</b>	<b>Factor</b>	<b>Workhours</b>														
LDC 37 - Bldg Maint Equip Mech																	
NONE	0	17.0455	0														
-	0	17.0455	0														
LDC 38 - Custodian																	
NONE	0	6.8182	0														
-	0	6.8182	0														

District  
Date  
Utilities

-  
1/11/11

Are the proposed facilities existing Postal facilities where the relocated operations will be housed in space that is already conditioned and lighted?

YES

Existing	Size	Cost PSF	Annual Cost
Facility Name: -	-	\$ -	\$ - (see note)
Proposed Facilities			
Facility Name: NONE	-	\$ -	\$ 0
-	-	\$ -	\$ 0
Proposed Facilities Total			\$ -
VARIANCE			\$ -

*Note: Make sure answer is Yes on Input-Rent tab when existing facility is USPS owned.*



District	-
Date	1/11/11
<u>Transportation</u>	
Annual Cost	
Existing Facility	
Carrier Vehicles/EMA	\$ -
HCR (Highway Contract Route)	\$ -
PVS (Postal Vehicle Service)	\$ -
Existing Facility Total	\$ -
Proposed Facilities	
Carrier Vehicles/EMA	\$ -
HCR (Highway Contract Route)	\$ -
PVS (Postal Vehicle Service)	\$ -
Proposed Facilities Total	\$ -
VARIANCE	\$ -

District

Date

1/11/11

LABOR TABLE

Labor Rate from Data Source

NWRS LURS Report AP13

First Operating Year

FY 2010

2011

1822 Non-Bargaining

1745 Bargaining

LDC	POSITION TITLE	LABOR RATE	HOURS
10	MAIL PROCESSING ADMIN	\$0.0000	1822
11	AUTOMATION CLERKS	\$0.0000	1745
12	MECHANIZATION CLERKS	\$0.0000	1745
13	MECHANIZATION CLERKS - OTHER	\$0.0000	1745
14	MANUAL CLERKS	\$0.0000	1745
15	RBCS HANDLERS	\$0.0000	1745
17	MAIL HANDLERS	\$0.0000	1745
20	DS SUPERVISION	\$0.0000	1822
21	CITY CARRIERS OFFICE	\$0.0000	1745
22	CITY CARRIERS STREET	\$0.0000	1745
23	CITY CARRIER OTHER	\$0.0000	1745
24	SPECIAL DELIVERY	\$0.0000	1745
25	RURAL DELIVERY	\$0.0000	1745
26	CITY CARRIER CUST SUPPORT	\$0.0000	1745
27	COLLECTIONS	\$0.0000	1745
28	CC TERTIARY	\$0.0000	1745
29	ROUTERS	\$0.0000	1745
30	VMF SUPERVISION	\$0.0000	1822
31	VMF ADMIN & CLERICAL	\$0.0000	1745
32	VMF REPAIR STAFF	\$0.0000	1745
33	VOMA SUPPORT	\$0.0000	1745
34	MVS DRIVERS	\$0.0000	1745
35	PLANT & EQUIP SUPERVISION	\$0.0000	1745
36	P O EQUIP MAINT	\$0.0000	1745
39	MAINTENANCE STORES	\$0.0000	1745
40	CS SUPERVISION	\$0.0000	1822
41	UNIT DIST AUTO/MECH	\$0.0000	1745
42	BUSINESS RETURN SERVICE	\$0.0000	1745
43	UNIT DIST MANUAL	\$0.0000	1745
44	P O BOX DIST	\$0.0000	1745
45	WINDOW SERVICE	\$0.0000	1745
46	VENDING SERVICE	\$0.0000	1745
47	ADMIN & CLERK (H-L)	\$0.0000	1745
48	ADMINISTRATIVE MISC	\$0.0000	1745
49	COMPUTERIZED FORWARDING SYSTEM	\$0.0000	1745
50	CONTROLLER SUPERVISION	\$0.0000	1822
53	PSDS	\$0.0000	1745
54	BUDGET AND FINANCIAL ANALYSIS	\$0.0000	1745
57	STATISTICAL PROGRAMS	\$0.0000	1745
60	HUMAN RESOURCES SUPERVISION	\$0.0000	1822
61	LABOR RELATIONS	\$0.0000	1745
62	PERSONNEL SERVICES	\$0.0000	1745
70	CUSTOMER SERVICES SUPERVISION	\$0.0000	1822
71	ACCOUNT MGMT	\$0.0000	1745
72	POSTAL BUSINESS CENTERS	\$0.0000	1745
73	EXPEDITED MAIL SERVICES	\$0.0000	1745
74	RETAIL MARKETING	\$0.0000	1745
75	CLAIMS AND INQUIRIES	\$0.0000	1745
76	CONSUMER AFFAIRS	\$0.0000	1745
77	ACCOUNTABLE PAPERS	\$0.0000	1745
78	CS ADMIN & CLERICAL	\$0.0000	1745
79	BULK MAIL ACCEPTANCE	\$0.0000	1745
80	POSTMASTER & INSTALLATION MGR	\$0.0000	1822
81	FACILITY SUPERVISOR	\$0.0000	1822
82	ADMIN & CLERICAL FACILITY	\$0.0000	1745

District	-				
Date	1/11/11				
Labor					
Existing Facility					
-					
LDC #	Description	FTE's		Workhrs	Annual Cost
	POSITION TITLE	-		0	\$ -
	POSITION TITLE	-		0	\$ -
	POSITION TITLE	-		0	\$ -
	POSITION TITLE	-		0	\$ -
	POSITION TITLE	-		0	\$ -
	POSITION TITLE	-		0	\$ -
Existing Facility Total					\$ -
Proposed Facilities					
NONE					
LDC #	Description	FTE's	Labor Rate	Workhrs	Annual Cost
	POSITION TITLE	-	\$ -	-	\$ -
	POSITION TITLE	-	\$ -	-	\$ -
	POSITION TITLE	-	\$ -	-	\$ -
	POSITION TITLE	-	\$ -	-	\$ -
	POSITION TITLE	-	\$ -	-	\$ -
	POSITION TITLE	-	\$ -	-	\$ -
Sub-total					\$ -
-					
LDC #	Description				
	POSITION TITLE	-	\$ -	-	\$ -
	POSITION TITLE	-	\$ -	-	\$ -
	POSITION TITLE	-	\$ -	-	\$ -
	POSITION TITLE	-	\$ -	-	\$ -
	POSITION TITLE	-	\$ -	-	\$ -
	POSITION TITLE	-	\$ -	-	\$ -
Sub-total					\$ -
Proposed Facilities Total					\$ -
Variance					\$ -

District	-		
Date	1/11/11		
Contracts			
		Annual Cost	
Existing Facility			
Facility Name:	-	Cleaning	\$ -
		Snow	\$ -
		Trash/Recycle	\$ -
		Other	\$ -
		Other	\$ -
Existing Facility Total		\$ -	
Proposed Facilities			
Facility Name:	NONE	Cleaning	\$ -
		Snow	\$ -
		Trash/Recycle	\$ -
		Relocation	\$ -
		CPU/O Supplier	\$ -
		Sub-total	\$ -
Facility Name:	-	Cleaning	\$ -
		Snow	\$ -
		Relocation	\$ -
		CPU/O Supplier	\$ -
		CPU/O Supplier	\$ -
		Sub-total	\$ -
Proposed Facilities Total		\$ -	
VARIANCE		\$ -	

District	-
Date	1/11/11
Rent	
Will existing facility lease expire/terminate upon facility discontinuance?	YES
Lease Expiration Date	1/11/11

		Annual Cost
Existing Facility		
Facility Name:	-	Base Rent
		Lease Buyout (one-time cost)
		CAM (Common Area Maintenance)
		Taxes
		Restoration (one-time cost)
		Other Recurring Cost
Existing Facility Total		\$ -
Proposed Facilities		
Facility Name:	-	Base Rent
		CAM (Common Area Maintenance)
		Taxes
		Other Recurring Cost
		Other Recurring Cost
		Sub-total
	-	Base Rent
		CAM (Common Area Maintenance)
		Taxes
		Other Recurring Cost
		Other Recurring Cost
		Sub-total
Proposed Facilities Total		\$ -
VARIANCE		\$ -

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4. Please estimate the percentage of revenue from discontinued facilities that would be captured by other facilities in close proximity, including retail over-the-counter transactions and post office box rental revenue.
- a. If the Postal Service anticipates this percentage to vary by facility, please explain.
  - b. Please explain the methodology used to estimate the overall percentage or any variance from that percentage.

**RESPONSE**

The Postal Service has not developed and is not aware of any method for reliably estimating such percentages. It is expected that capturability will vary on the basis of a variety of factors specific to the mix of customers who patronized a discontinued facility and their inclination and ability to continue to utilize postal services via other retail locations or alternative access channels.

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5. Please provide information on whether and how non-revenue customer transactions will be recognized.

**RESPONSE**

Data regarding non-revenue postal retail transactions are recorded via Point of Service (POS) terminals, where available. Standard earned workload credits are assigned to each type of non-revenue transaction. Available facility-specific non-revenue transaction data are compiled in the Small Office Variance tool and evaluated during the discontinuance review process. For facilities where such transactions are not systematically recorded by POS, local management can submit qualitative non-revenue transaction information for consideration during the discontinuance review process

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**6.** Please refer to Library Reference USPS-LR-N2011-1-2. Please define the following facility types: FND\_S and FND\_B.

**RESPONSE**

Finance Unit -- No Delivery/Station and Finance Unit -- No Delivery/Branch.



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7. Please refer to the description of the "Change Suspension Discontinuance Center" (CSDC) program at USPS-T-1 at pages 18-19.
- a. Please provide, or make available, the CSDC program.
  - b. Please provide the source data or database for the CSDC program, including data for all facilities that were considered in developing the list of candidate facilities.

**RESPONSE**

- (a) The CSDC program is a web-based application that enables Postal Service employees to perform required discontinuance steps by following the process flow matrix in the USPS Handbook PO-101. The process flow generates standard tasks, letters, forms, and notifications to ensure uniformity and completeness. In addition, the process flow sends approval requests via e-mail to designated management and prevents certain steps from progressing until the appropriate approvals are complete. CSDC also should be viewed as a dynamic warehouse for data extracted from various other data systems for purposes for conducting discontinuance review. CSDC is dynamic in the sense that facility-specific data from various systems are added as needed for the performance of specific tasks. The technical conference should shed light on its functionality and the challenge of responding to a request for an Excel or flat file replica.
- (b) To be clear, the data used to determine which facilities met the criteria for the first three RAO Initiative candidate categories (low workload Post Offices, insufficient demand stations and branches, and insufficient demand retail annexes) do not derive from CSDC. Responsive data are being compiled in Library References.

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**8.** Please explain how the Postal Service will estimate the effect of the initiative on the capacity of remaining facilities that are in the proximity of a discontinued facility:

- a. to absorb additional retail transactions; and
- b. to absorb additional post office box demand.

**RESPONSE**

The Postal Service will assess such factors as the physical capacity, retail hours, staffing and proximity of remaining facilities, as well as alternate access sites, to make a qualitative assessment of the ability of remaining nearby postal facilities to absorb an increase in retail traffic that could result from the discontinuance of a facility.

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**9.** Please confirm that no candidate facilities and none of the alternative access sites were under suspension as of July 27, 2011. Request at 5. If not confirmed, please explain.

**RESPONSE**

For the first three categories of facilities described at USPS-T-1, pages 14-16, the candidate list was intended to reflect postal facilities in operation on that date.

The suspension of a postal retail facility or an alternate access point should reflect a temporary status and can result from the incidence of such phenomena as a fire, flood, power outage, Postmaster vacancy or security threat.

Accordingly, it is not beyond the realm of possibility that a facility listed in one of those three categories or an alternate postal retail facility was temporarily in a suspended status on that date for some reason.

The fourth category of about 260 facilities described at pages 16-17 of USPS-T-1 consists of facilities undergoing discontinuance review when the discontinuance regulations were amended in mid-July 2011, but for which the discontinuance process had not advanced to the point where a public meeting was announced. Fewer than 20 of those facilities were in a suspension status when the Request in this docket was filed.

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**10.** Please define the term "Village Post Office" as used in the initiative, and explain the difference(s), if any, between a CPU and a Village Post Office, particularly any difference in product or service offerings.

**RESPONSE**

A Village Post Office is non-postal owned and operated establishment that will, aside from its other functions, sell postage stamps and prepaid postal Flat Rate shipping boxes. Some VPOs will have Post Office Box units installed that will be serviced by postal delivery personnel. Consideration will be given to the feasibility of locating a collection box in close proximity to each VPO. Some VPO operators may offer to hold mail for tender to postal personnel.

A Contract Postal Unit also is non-postal owned and operated, but sells a much broader range of postal products and services, as depicted in the attachment to the response to DBP/USPS-6. In contrast to a VPO, CPU operators accept mail on behalf of the Postal Service. A collection box may be located on or in close proximity to the premises of a CPU. Some CPUs also house Post Office Box units. Depending on the CPU, those box units are serviced either by the CPU operator or postal delivery personnel.

VPOs and CPUs may not sell postal products and services at prices above those available at a postal retail facility.

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**11.** Please estimate the number of Village Post Offices that the Postal Service currently has and anticipates having operational in 6 and 12 months?

**RESPONSE**

The inaugural VPO is expected to be in operation before the middle of August 2011. The decision to establish a VPO at a particular location is contingent upon local postal management making arrangements with local establishments interested in selling postage stamps and prepaid Flat Rate shipping boxes, and potentially also housing Post Office Box units. Several hundred inquiries from interested vendors were received within days of the concept being publicly announced in July 2011. It is premature to reliably project how many VPOs will be in operation in either February or August of 2012.

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**12.** Please describe the methods by which the Postal Service plans to initiate and finalize agreements for the creation of Village Post Offices.

**RESPONSE**

Postal management in the field will solicit vendor bids. USPS Supply

Management and award firm fixed price (flat fee) contracts establishing the terms and conditions under which each VPO will operate.

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**13.** Please describe the Postal Service's plan for the use of Automated Postal Centers (APCs) in providing alternative retail access as part of the initiative.

**RESPONSE**

APC availability will remain as it is currently. About a dozen of the approximately 2500 units are located off of postal premises, with the rest operating in postal lobbies. There is no plan to relocate APCs to VPOs.

In addition to their availability in postal lobbies during regular postal retail hours, APCs located in "outer" postal lobbies are accessible before and after regular retail hours and, thus, provide an alternate channel for postal customers to access some retail products and services when postal retail windows are closed.

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**14.** Please refer to USPS-T-1 at page 12. The witness provides a chart showing “proximity to the nearest Post Office [that] is based off of geographic coordinate distance, rather than driving distance.” Please provide a data file with the actual driving distances to the nearest alternate retail location for each facility under consideration.

**RESPONSE**

Data are being compiled in a Library Reference responsive to this request.



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15. Please refer to USPS-T-1 at page 16, n.13, where the witness indicates that alternative access includes nearby approved shippers and stamp consignment locations in addition to full service alternatives. Please provide:
- a. the number of occurrences where the five nearest locations are approved shippers or stamp consignment locations (not full service alternatives); and
  - b. the Postal Service's anticipated action when none of the five nearest locations are full service.

**RESPONSE**

- (a) Data are being compiled in a Library Reference responsive to this request.
- (b) It bears emphasizing that the proximity of five such locations is a criterion used to define a particular category of facilities to consider for discontinuance review under the RAO Initiative. However, this criterion is not a controlling factor in the discontinuance review that is inevitably conducted. It is expected that there will be cases where the closest alternate retail options for a facility under discontinuance review will not be "full-service" postal or contract postal unit options. As indicated in USPS Handbook PO-101, the nature, extent, proximity and accessibility of postal retail and alternate access is considered on a case-by-case basis as part of the discontinuance review process.